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25X1 25X1	The criminal police is recently given special market activities. Modern the Soviet Sector and deal chiefly in a case to be investigated Flay 1950 involved 100 been smuggled from We of Berlin.	al attention to increast of the black mar of Berlin live in the timerican cigarettes. Seed by the criminal 0,000 American cigarestern Germany to the	easing black keteers active he West Sector, A black marketing police in early ettes which had e Soviet Sector				
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- 2. According to political instructors conducting courses for political officials, an oral directive by Soviet Zone authorities precludes legal prosecution if the KJB/5 (meaning unknown) can furnish proof that the merchandize is to be shipped to West Berlin. The cigarettes sell there at a price which is considerably higher than the prices normally prevailing in the Western Zones. This trade is designed to procure west marks and the customs police of the Soviet Sector interfere only if the purchaser lives in the Western Sector in which case the merchandise is released, but the bill of indictment is sent to the appropriate office in the West Sector. The money derived from the severe fines imposed there is remitted to the appropriate office in the Lest Sector and is finally used to buy cigarettes in the Lest which are shipped by truck from the US or British Zones direct to the Soviet Sector of Berlin.
- 3. The political instructors also told the policemen that a new election system will soon be introduced, in which only such simple questions as concern every German will appear on the ballots. Do you want work and bread? Do you want peace? Do you want a united Germany? By an-

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CENTRAL INTELLIGENCE AGENCY

swering	thesc	questions	in	the	affirmative	the	voter

swering these questions in the affirmative the voter will automatically vote for the SED. The instructors quite openly stated that much could be learned from the Soviets regarding their election tactics.

- 4. It is expected that the SED will persuade the Soviet Soverment to present the estern Powers with an ultimatum to the effect that if Berlin were made the twelfth state of the sem Republic a new sockade would be imposed on Berlin. It is expected that such a stockade would now force the inhabitants of West Berlinto buy in the Soviet Sector. Party political sources feel confident that the Americans are not prepared at the present time to pay the cost of another air lift. In case Berlin is not admitted as a lith state, the SED intends by force to gain control of all key rositions in West Berlin with the exception of offices of the Allies. Foremost among these key positions is the police.
- 5. The criminal police officer stated that for some time all former political offices such as the K 5 section have not been stationed in the police headquarters on Koenigstrasse and furthermore are no longer in contact with that headquarters. All these offices are now under the Einistry of State Security. They have only numerical designations and answer the telephone by giving only their numbers, omitting all official designation or names of officers. Even the K designations used with the Koenigstrasse police headquarters were discontinued and Soviet Zone designations such as Al, Bl and Cl were adopted instead.
- 6. On the basis of his political loyalty a criminal police officer named Heidenreich, (fnu), was appointed personal aid responsible for the security of Prime Minister Pieck. He has 25 officials working under his supervision.

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